

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION

UNITED STATES OF AMERICA	§	
	§	
v.	§	No. 5:21-CR-8
	§	JUDGE SCHROEDER
SALLY JUNG (2)	§	

FACTUAL BASIS

I, the defendant, Sally Jung, committed the conduct described in Count Two of the Indictment, which charges a violation of 18 U.S.C. § 1343, wire fraud. I am pleading guilty in this case because I am in fact guilty of the violation alleged. I have had an opportunity to consult with an attorney, and I am satisfied with the advice and counsel I have received. I am pleading guilty because I believe it is in my own strategic best interest based on all the facts known to me, which I have shared with my attorney. I have reviewed the elements of the offense with my attorney; I agree that each element is satisfied in this case. Additionally, I have reviewed with my attorney the sentencing stipulations in my plea agreement; I agree that each stipulation accurately reflects my conduct. I further agree that the following factual basis is true and correct:

Beginning before May 2020 and continuing through January 2021, in the Eastern District of Texas and elsewhere, Clifton Pape, others, and I knowingly and intentionally devised and executed a

scheme to use the Economic Injury Disaster Loan (EIDL) program to defraud the United States Small Business Administration (SBA) and other individuals. Operating under the name My Buddy Loans from a house in Cleveland in Liberty County, Texas, we submitted fraudulent EIDL applications, resulting in more than \$1.5 million in actual loss to the SBA and other victims.

For the purpose of executing our scheme, Pape, I, or a person working for us falsely told victims that there was a \$10,000 agricultural grant available from the federal government for those who owned as little as one acre of land. We charged individuals \$1082.50 through the credit card processing company, Square, to submit fraudulent EIDL applications. The individuals provided us with their identifying information to submit these applications. The EIDL applications contained false, material information, including that each victim employed ten or more employees and was thus eligible for a \$10,000 EIDL Advance. Based on these fraudulent applications, the SBA issued more than \$1.56 million in EIDL Advances to people who were not eligible. In addition, we submitted applications for an additional \$1.44 million in EIDL Advances, which were not funded because—among other reasons—the appropriated funds for the EIDL Advance program

were exhausted. Finally, we received more than \$680,710.31 in proceeds from victims through Square, which we deposited into the Wells Fargo Bank account in the name of Working4U Inc. with an account number ending in 9808.

For example, for the purpose of executing our scheme to defraud and acting with the specific intent to defraud, on June 22, 2020, we submitted an EIDL application in the name of T.G., who resided in Bowie County, Texas. The application contained a false, material statement; specifically, the application stated that T.G. had ten employees, when in truth and fact T.G. did not. On the basis of this statement, the SBA paid \$10,000 to T.G., who was not entitled to receive an EIDL Advance. T.G. paid us \$1082.50. We falsely told T.G. that we were submitting an application for an agricultural grant. When we submitted the application, we caused a signal to be transmitted by way of wire communication over the internet from Cleveland in Liberty County, Texas, to an SBA server outside of Texas.

I was a manager or supervisor of our criminal activity, which involved five or more participants and was otherwise extensive. I knew that our criminal activity involved sophisticated means; for example, I told victims that our office was located in Houston in

the Southern District of Texas when in fact our operations were located in Cleveland in the Eastern District of Texas.

I hereby stipulate that these facts are true and correct. I accept these facts as the uncontested facts of this case. I acknowledge that my conduct as described above constitutes a violation of the charged offense.

Additionally, I stipulate and agree to forfeit any and all interest I may have in the following described property to the United States because the property constitutes proceeds traceable to the illegal activity described in the indictment or was used or intended for use to facilitate the offense described in the indictment:

United States Currency

The \$505,535.04 in United States currency seized on January 12, 2021, from the Wells Fargo Bank account in the name of Working4U Inc. with an account number ending in 9808.

Cash Proceeds

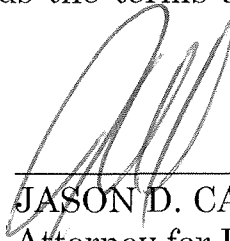
A sum of money equal to \$175,175.27 in United States currency, and all interest and proceeds traceable thereto, representing the amount of proceeds obtained by defendant as a result of the offense alleged in the Indictment, for which the defendant is personally liable.

4/18/22
Date


SALLY JUNG
Defendant

I have reviewed this Factual Basis with the defendant. Based on these discussions, I am satisfied that he understands the terms and effect of the Factual Basis and has signed it voluntarily.

4/20/22
Date



JASON D. CASSEL
Attorney for Defendant